

OPERATIONAL INFORMATION DOCUMENT

This Operational Information Document relates to the Final Terms dated 11 April 2018 (the Final Terms) in respect of the issue by Nationwide Building Society of £1,000,000,000 Floating Rate Covered Bonds due 12 April 2023 (the Covered Bonds) irrevocably and unconditionally guaranteed as to payment of principal and interest by Nationwide Covered Bonds LLP under the €45 billion Global Covered Bond Programme.

This Operational Information Document has not been reviewed or approved by any competent authority for the purposes of the Prospectus Directive or otherwise and does not form part of the Final Terms for the purposes of the Prospectus Directive. However, for all other purposes this Operational Information Document must be read in conjunction with the Final Terms. Words and expressions which have a defined meaning in the Final Terms or the Prospectus dated 28 July 2017 as supplemented on 11 August 2017, 20 November 2017 and 9 February 2018 have the same meanings in this Operational Information Document.

MIFID II product governance / Professional investors and ECPs only target market Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

11 April 2018

Nationwide Building Society

**Issue of GBP1,000,000,000 Series 2018-01 Floating Rate Regulated Covered Bonds due 12 April 2023
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Nationwide Covered Bonds LLP
under the €45 billion Global Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 July 2017 and the supplemental prospectuses dated 11 August 2017, 20 November 2017 and 9 February 2018 (the **Supplemental Prospectuses**) which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the LLP and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Supplemental Prospectuses are available for viewing during normal business hours at the registered office of the Issuer and copies may be obtained from the specified office of each of the Paying Agents and have been published on the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The LLP is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the LLP has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See "Certain Volcker Rule Considerations" in the Prospectus dated 28 July 2017.

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| 1. | (a) | Issuer: | Nationwide Building Society |
| | (b) | Guarantor: | Nationwide Covered Bonds LLP |
| 2. | (a) | Series Number: | 2018-01 |

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| (b) | Tranche Number: | 1 |
| (c) | Series which Covered Bonds will be consolidated and form a single Series with: | Not Applicable |
| (d) | Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: | Not Applicable |
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| 3. | Specified Currency or Currencies: | Pounds Sterling (GBP or £) |
| 4. | Nominal Amount of Covered Bonds to be issued: | £1,000,000,000 |
| 5. | Aggregate Nominal Amount of Covered Bonds: | |
| | (a) Series: | £1,000,000,000 |
| | (b) Tranche: | £1,000,000,000 |
| 6. | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 7. | (a) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000. |
| | (b) Calculation Amount: | £1,000 |
| 8. | (a) Issue Date: | 12 April 2018 |
| | (b) Interest Commencement Date: | Issue Date |
| 9. | (a) Final Maturity Date: | 12 April 2023 |
| | (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: | 12 April 2024 |
| 10. | Interest Basis: | 3 month GBP LIBOR +0.26 per cent. per annum Floating Rate |
| 11. | Redemption/Payment Basis: | 100 per cent. of the nominal value |

12. Change of Interest Basis: Applicable for the period from and including the Final Maturity Date to but excluding the Extended Due for Payment Date as follows:
- Interest Basis: 1 month GBP LIBOR +0.26 per cent. per annum Floating Rate
- Interest Period(s): The period from and including the Final Maturity Date or, as the case may be, a Specified Interest Payment Date, to but excluding the following Specified Interest Payment Date
- Specified Interest Payment Date(s): Monthly on the 12th day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date
- First Interest Payment Date: 12 May 2023
- Business Day Convention: Modified Following Business Day Convention
- Day Count Fraction: Actual/365 (Fixed)
13. Call Options: Not Applicable
14. Date Board approval for issuance of Covered Bonds obtained: 19 October 2005

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Covered Bond Provisions: Not Applicable
16. Floating Rate Covered Bond Provisions: Applicable from and including the Interest Commencement Date to but excluding the Final Maturity Date
- (a) Interest Period(s): The period from and including the Interest Commencement Date or, as the case may be, a Specified Interest Payment Date, to but excluding the following Specified Interest Payment Date
- (b) Specified Interest Payment Date(s): 12th day of January, April, July and October in each year from and including 12 July 2018 to and including the Final Maturity Date
- (c) First Interest Payment Date: 12 July 2018
- (d) Business Day Convention: Modified Following Business Day Convention
- (e) Additional Business Centre(s): Not Applicable
- (f) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination

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| (g) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (if not the Agent): | Not Applicable |
| (h) | Screen Rate Determination: | Applicable |
| | - Reference Rate: | 3 month GBP LIBOR |
| | - Interest Determination Date(s): | First London Business Day of each Interest Period |
| | - Relevant Screen Page: | Reuters Screen Page LIBOR01 |
| (i) | ISDA Determination: | Not Applicable |
| (j) | Margin(s): | +0.26 per cent. per annum |
| (k) | Minimum Rate of Interest: | 0.00 per cent. |
| (l) | Maximum Rate of Interest: | Not Applicable |
| (m) | Day Count Fraction: | Actual/365 (Fixed) |
| 17. | Zero Coupon Covered Bond Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

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| 18. | Call Option: | Not Applicable |
| 19. | Final Redemption Amount of each Covered Bond: | £1,000 per Calculation Amount |
| 20. | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default: | £1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

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| 21. | Form of Covered Bonds: | <p>Bearer Covered Bonds:</p> <p>Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event</p> |
| 22. | New Global Covered Bond: | Yes |
| 23. | Additional Financial Centre(s) relating to payment dates: | Not Applicable |
| 24. | Talons for future Coupons to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): | No |

25. Redenomination, renominalisation and Not Applicable reconventioning provisions:

PART B – OTHER INFORMATION

1. LISTING

- (a) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's Regulated Market and to the Official List of the UK Listing Authority with effect from the Issue Date.
- (b) Estimate of total expenses related to admission to trading: £3,650

2. RATINGS

- (a) The Covered Bonds to be issued are expected to be rated:
- S & P: AAA
- Moody's: Aaa
- Fitch: AAA

3. PROVISIONS RELATING TO THE JUMBO INTEREST RATE SWAPS

BMR Spread:	1.60 per cent. per annum
Fixed Rate Spread:	1.30 per cent. per annum
SMR Spread:	3.00 per cent. per annum
Tracker Rate Spread:	1.50 per cent. per annum

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and the LLP are aware, no person involved in the issue of the Covered Bonds has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking transactions with and may perform other services for the Issuer and/or the LLP and its or their affiliates in the ordinary course of business.

5. OPERATIONAL INFORMATION:

- (a) ISIN Code: XS1806359714
- (b) Common Code: 180635971
- (c) CUSIP: Not Applicable
- (d) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (e) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common

safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

6. DISTRIBUTION

U.S. Selling Restrictions

Reg. S Compliance Category 2; TEFRA D

7. YIELD (Fixed Rate Covered Bonds only)


Indication of yield:

Not Applicable

Signed on behalf of the **Issuer**:

By:  
Duly authorised

Signed on behalf of the **LLP**:

By: 
Duly authorised